FISCAL NOTE

Bill #:	SB0163	**Title:**	Allow tax and fee payments by credit card for local governments

Primary Sponsor: Mangan, J   **Status:**   As Introduced

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Sponsor signature   Date   Chuck Swysgood, Budget Director   Date

Fiscal Summary

	FY 2004 Difference	FY 2005 Difference
Net Impact on General Fund Balance:	$0	$0

☐ Significant Local Gov. Impact	☒	Technical Concerns
☐ Included in the Executive Budget	☐	Significant Long-Term Impacts
☐ Dedicated Revenue Form Attached	☐	Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:
1. It is assumed that under this proposal local government entities will continue to remit the full amount of revenue due to the state and that the state is not a party to any contracts between local government entities and financial institutions or credit card companies.
2. There is no fiscal impact to the state.

TECHNICAL NOTES:
1. Accounting issues arise when payment is not considered to be made until the money is received from the financial institution or credit card company. This would require creating receivable accounts to facilitate the amounts due from the financial institutions. Depending on the purpose of the payment, such receivables would have to be established in each fund to which the collection applies. (i.e. taxes)
2. If collections relate to taxes and payment is not considered to be made until the money is received from the financial institution or credit card company, would penalty and interest be charged on those collections which pass the due date for tax payments if the money was not received until after the due date. (If the payment was made by credit card on November 28 and the money was not received from the credit card company until December 20, when the due date on taxes was November 30, would penalty and interest apply for 20 days?)
3. The use of a clearing or holding fund to which such payments would be deposited until the financial institution or credit card company makes payment to the local government could be utilized to facilitate such collections.